

CHAPTER 3  
SAVINGS LIABILITY

[Prior to 3/25/87, Auditor of State[130] Ch 3]

**197—3.1(534) Classes of savings.** An association may, if its bylaws permit and by resolution of its board of directors, classify savings according to the character, amount or duration thereof, or regularity of additions thereto. For this purpose, the classifications are defined.

**3.1(1) Bonus accounts.** Under the bonus arrangement, the association may agree, by issuance of a bonus security certificate, to pay an extra dividend or extra interest at a specified rate in addition to the regular dividend rate paid on those accounts.

Bonus accounts may be:

Fixed balance accounts with the minimum balance, minimum additions and minimum and maximum term agreed upon by the saver and the association, or

Accounts on a monthly payment basis, such monthly payments to be set forth in a bonus agreement, for a period agreed upon between the saver and the association.

*a.* Regular dividends or interest shall be distributed or paid as of the normal distribution dates and the bonus amount upon completion of the agreed-upon maturity. In the event that the account is withdrawn prior to the maturity date specified, no bonus may be paid nor may a penalty be assessed. The association shall, on each regular dividend or interest payment date, make appropriate debits and credits to a "Reserve for Bonus" which shall be maintained as long as bonus accounts are outstanding.

*b.* The bonus security form to be used shall be submitted to the superintendent for approval prior to initiation of any bonus plan.

*c.* Bonus certificates, issued under any plan prior to the effective date of this rule, must be redeemed upon their date of maturity, which date shall, in no event, be later than July 1, 1968. The certificates may be replaced by a regular savings share account or a plan conforming to one of the classes of savings set forth in this rule.

**3.1(2) Variable accounts.** An association may offer savings accounts which pay variable rates of interest. Full disclosure shall be made to the saver describing how the interest rate will be periodically determined.

**3.1(3) Ninety-day notice accounts.** The term "notice account" means any form of withdrawable account evidenced by an account book or certificate containing a requirement that the holder of the account give the association written notice of at least 90 days prior to making any withdrawal from the account, except as provided in this rule. An association may provide that the notice prior to withdrawal will not be required at the end of a dividend or interest period or within 10 days thereafter in connection with the withdrawal of funds which have remained in the association for at least 90 days. In the event of any other withdrawal from the account prior to the expiration of the notice period, the holder of the account shall not be entitled to receive accrued and unpaid earnings on the amount withdrawn for the period of time such funds remained in the association since the last date on which the association regularly distributed earnings on notice accounts.

**3.1(4)** Fixed rate, fixed term savings accounts described in rule 197—4.2(534).

**3.1(5)** Regular savings (passbook) accounts.

**3.1(6)** Savings accounts which are directly equivalent to and competitive with money market mutual funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. The limitations for this type of account shall be those which are imposed by the Federal Savings and Loan Insurance Corporation upon insured associations.

**3.1(7) Other accounts.** An association may offer other types of savings accounts not described in this rule, which are authorized by the Federal Savings and Loan Insurance Corporation for insured associations.

**3.1(8) Disclosure.** In addition to any disclosure requirements outlined above, a savings account must meet the disclosure requirements of 197—subrule 4.2(3).

**3.1(9)** *Withdrawal penalty.* Unless a penalty for early withdrawal is otherwise specified in this rule, except for a passbook or other day-in or day-out account, an association shall provide for a penalty described in 197—subrule 4.2(4).

This rule is intended to implement Iowa Code sections 534.307(1) and 534.308.

[Filed 9/14/67; amended 6/28/68, 7/9/68, 5/13/69, 10/12/72]

[Filed emergency after Notice 11/5/82, Notice 9/29/82—published 11/24/82, effective 11/5/82]

[Filed emergency 3/10/87—published 3/25/87, effective 3/10/87]